

2018 First Extraordinary Session

HOUSE BILL NO. 16

BY REPRESENTATIVE LEGER

TAX/TAX REBATES: Reduces the amount of the rebate for the Competitive Projects Payroll Incentive Program and provide for continued effectiveness of reductions in the amount of certain rebates (Item #4)

1 AN ACT

2 To amend and reenact R.S. 51:3121(C)(4)(c) and Section 6 of Act No. 126 of the 2015
3 Regular Session of the Legislature as amended by Act No. 28 of the 2016 First
4 Extraordinary Session of the Legislature and to repeal Section 3 of Act No. 126 of
5 the 2015 Regular Session of the Legislature and Section 7 of Act No. 126 of the 2015
6 Regular Session of the Legislature as enacted by Act No. 28 of the 2016 First
7 Extraordinary Session of the Legislature, relative to certain rebates; to provide
8 relative to the competitive projects payroll incentive program; to reduce the project
9 facility expense rebate; to provide for continued effectiveness of certain rebate
10 reductions; to provide for an effective date; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 51:3121(C)(4)(c) is hereby amended and reenacted to read as
13 follows:

14 §3121. Competitive Projects Payroll Incentive Program

15 * * *

16 C. Applications and contract approval and administration.

17 * * *

18 (4)

19 * * *

1 Section 2. Section 6 of Act No. 126 of the 2015 Regular Session of the Legislature
2 as amended by Act No. 28 of the 2016 First Extraordinary Session of the Legislature is
3 hereby amended and reenacted to read as follows:

4 * * *

5 Section 6. The provisions of Section 2 of this Act shall become effective on
6 July 1, 2015. ~~In the event the Act that originated as House Bill No. 62 of the 2016~~
7 ~~First Extraordinary Session of the Legislature is enacted and becomes effective, the~~
8 ~~provisions of Section 2 of this Act shall remain in effect through the sunset date in~~
9 ~~the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session~~
10 ~~of the Legislature.~~

11 * * *

12 Section 3. Section 3 of Act No. 126 of the 2015 Regular Session of the Legislature
13 and Section 7 of Act No. 126 of the 2015 Regular Session of the Legislature as enacted by
14 Act No. 28 of the 2016 First Extraordinary Session of the Legislature are hereby repealed
15 in their entirety.

16 Section 4. This Act shall become effective upon signature by the governor or, if not
17 signed by the governor, upon expiration of the time for bills to become law without signature
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become
20 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 16 Original 2018 First Extraordinary Session Leger

Abstract: Relative to the Competitive Projects Payroll Incentive Program, reduces the amount of the rebate percentage from 1.2% to 1% and removes the sunset date on reductions in various rebates.

Present law (R.S. 51:3121) establishes the Competitive Projects Payroll Incentive Program through which businesses can contract with the Dept. of Economic Development for receipt of rebate payments in exchange for the creation of jobs. The contract provides for three different rebates: a rebate based on the amount of new payroll, a sales and use taxes rebate

for taxes paid, and a rebate equal to a percentage of the amount of certain qualified capital expenditures associated with a facility utilized in the performance of the contract.

Present law sets the amount of the rebate equal to 1.2% of certain qualified capital expenditures and a maximum of 12% of eligible new payroll until June 30, 2018, after which time the maximum rebate is 1.5% of the amount of such capital expenditures and up to 15% of eligible new payroll. Proposed law reduces the authorized rebate from 1.2% to 1% of qualified capital expenditures and removes provision for increase in maximum rebate.

Proposed law also removes present law provisions for future increases in the following rebates by removing the June 30, 2018, sunset date on the current rebate:

Present law (R.S. 51:2367) authorizes the secretary of the Dept. of Economic Development to grant a La. Mega Project Energy Assistance Rebate of severance taxes paid on natural gas to certain mega-projects when the secretary has determined that the consumption of energy will be a major cost component of the operation of the project. Present law provides that the maximum rebate is 80% of La. severance taxes paid on natural gas until June 30, 2018, after which the maximum rebate is 100% of such amount.

Present law (R.S. 51:2455) provides for the Quality Jobs Program, which authorizes the granting of contracts by the Bd. of Commerce and Industry to businesses for the purposes of providing rebates and tax credits for the achievement of certain performance by the business. The term of the contract is five years. Present law authorizes a rebate equal to the benefit rate as defined in present law multiplied by 80% of the gross payroll of new direct jobs until June 30, 2018, after which the maximum rebate is 100% of the gross payroll.

Present law (R.S. 51:3114) creates the Corporate Headquarters Relocation Program, which grants to a "qualified business" a contract to receive a relocation rebate to relocate or expand its "headquarters" in La. Present law authorizes a rebate of 20% of "relocation costs" until June 30, 2018, after which the maximum rebate is 25% of relocation costs.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 51:3121(C)(4)(c) and §6 of Act No. 126 of 2015 R.S. as amended by Act No. 28 of 2016 1st E.S.; Repeals §3 of Act No. 126 of 2015 R.S. and §7 of Act No. 126 of 2015 R.S. as enacted by Act No. 28 of 2016 1st E.S.)